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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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Federal Communications Commission
Office of Secretary

In the Matter of)

Billed Party Preference for)
0+ InterLATA Calls)

CC Docket No. 92-77

COMMENTS OF
AMERICAN NETWORK EXCHANGE, INC.

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American Network Exchange, Inc. ("AMNEX"), by its attorneys, hereby respectfully submits the following comments in response to the Common Carrier Bureau's ("Bureau") request for additional comments regarding the issues raised in this docket.¹ The Bureau's request pertains to the Commission's proposal to require all providers of operator services at payphone and other aggregator locations ("OSPs") to orally disclose to the party to be billed for the call the specific rate that the party will be charged for the call, including any applicable aggregator surcharges or premises-imposed-fees ("PIFs") allowed by the OSP's contract with the aggregator for a particular location.²

¹ See Public Notice, DA 96-1695 (Oct. 10, 1996).

² *In the Matter of Billed Party Preference for InterLATA 0+ Calls*, Second Further Notice of Proposed Rulemaking, CC Docket No. 92-77, 11 FCC Rcd 7274 (released June 4, 1996) ("*Second Further Notice*").

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SUMMARY

AMNEX's comments herein are limited to the functionalities of disclosing rate information for all calls from payphones and other aggregator locations. AMNEX maintains that the Commission's proposal as described in the *Second Further Notice* is not reasonably feasible and that the Commission should adopt the alternative approach proposed by the Competitive Telecommunications Association ("CompTel").

In response to Question 2 specifically, AMNEX believes that the costs and complexity associated with implementing per call pricing announcements under the Commission's proposed approach render the Commission's proposal impractical. The Commission's proposal would require the creation and maintenance of a very expensive, very large, dedicated database processor that would do nothing but match the location files and phone numbers with rates and that would have to be updated daily to account for rate changes and to add or delete specific locations. Ultimately, such a database would not benefit consumers because it would increase carriers' costs, create undesirable delays in call processing, and further inflate prices for consumers.

STATEMENT OF INTEREST

AMNEX is a provider of interexchange telecommunications services that provides convenient service to users with occasional or "casual" calling needs, such as 0+ operator-assisted call completion, coin sent-paid services and traditional 1+ calling services. In conjunction with its affiliates, AMNEX provides telecommunications services throughout the United States.

As a provider of operator services nationwide, AMNEX is seriously concerned about the issue of billed party preference for interLATA 0+ calls. AMNEX has a long-standing

commitment to providing the highest quality telecommunications services, and is committed to offering excellent customer service as well as competitive prices.

AMNEX supports the Commission's efforts to promote informed customer choice in telecommunications. However, AMNEX urges the Commission to recognize that there are practical limitations on the ability of OSPs to provide information regarding rates, aggregator surcharges and PIFs to its customers in a cost-effective manner.

DISCUSSION

A. RESPONDING TO THE BUREAU'S QUESTION NO. 2, AMNEX DOES NOT BELIEVE THAT SATISFACTORY TECHNOLOGY TO PROVIDE ON-DEMAND CALL RATING INFORMATION IS CURRENTLY AVAILABLE.

What kinds of technologies (including payphone equipment and associated software) are currently available to provide on-demand call rating information for calls from payphones, other aggregator locations, and phones in correctional institutions that are provided for use by inmates? Commenters should discuss the anticipated declining cost of these technologies, assuming a wide-spread demand for these services.

AMNEX submits that, given the costs and complexity associated with implementing per call pricing announcements, the Commission's proposed approach to price disclosure for 0+ operator service calls is not practical. In order to implement the Commission's proposal, several components of AMNEX's network, as well as other carriers' networks, would have to be substantially modified. This would require, first and foremost, the development and dedication of a large database processor containing the rates for each property or telephone a carrier serves.

This database would do nothing but match the location files and phone numbers with rates and would have to be updated daily to account for rate changes and to add or delete specific locations. Once the database is established, each call that reaches AMNEX's switch

would have to be cross-referenced with the database and the rate information provided to the operator's screen. This would require a processor costing hundreds of thousands of dollars. In addition, AMNEX estimates that this process would add from ten to fifteen seconds to the duration of the call,³ which would tie up trunks longer, increase access costs and require a higher number of trunks to serve the same number of calls. It would take AMNEX approximately one year to develop this database and, after the database is up and running, AMNEX would have to dedicate one employee full-time to maintain it.

AMNEX also would have to modify the LAN software subtending its operator switch. This reprogramming would be customized design work that would have to be done by the software manufacturer.⁴ All of this would increase AMNEX's costs and would require comparable increases in end user rates.

For automated calls, even more modifications would be required to update the automated terminal programs and system. The number of ports used by the system would increase, increasing call handling so much that it would be impossible to offer automated service except at a significantly higher price. AMNEX believes that automation should be employed to provide new, innovative services while reducing the cost of providing all services, not to make call processing less convenient and more expensive, as would result under the Commission's proposal.

³ Based upon its extensive experience in completing operator assisted calls, AMNEX believes that this ten to fifteen second delay added to the call processing sequence will result in substantial consumer confusion and frustration.

⁴ AMNEX cannot provide cost estimates of this work at this time.

It would not be any easier or less expensive to place the technology for disclosing rates at the point of call origination, either in the payphone or at the PBX, because the CPE must have the intelligence to distinguish between call types (*i.e.*, 1+, 0-, 0+, local, intraLATA, interLATA, international, 911, etc.) in order to determine when to play an announcement and what announcement to play. In essence, the CPE must have the capability to distinguish, upon dialing, the nature of the call and the announcement to be played. To AMNEX's knowledge, this technology does not exist currently, and would be very expensive to develop and maintain. Even if such equipment could be developed, it would invariably cause a delay in call processing while the PBX or CPE searched for the proper announcement.

Notably, efforts by carriers to implement any system of on-demand call rating or real-time rating announcements have been made substantially more difficult by the Commission's recent action taken in CC Docket No. 96-61. In its *Second Report and Order* released in that proceeding on October 31, 1996, the Commission required that all interexchange carriers withdraw their domestic interstate tariffs within nine months. Tariffs will be replaced by individual customer agreements, and this development is expected to lead to a proliferation of varying rate structures and rate levels. The necessity of identifying the proper rate among hundreds of rate plans in use on a real-time basis will make the effort to comply even less manageable than described above.

B. THE COMMISSION SHOULD REQUIRE ALL OSPs TO PROVIDE AUDIBLE INSTRUCTIONS INFORMING CONSUMERS OF HOW TO OBTAIN A RATE QUOTE.

For the reasons stated herein, AMNEX maintains that the Commission's proposal is infeasible and urges the Commission to consider adopting the alternate proposal submitted by

CompTel. As CompTel has set forth in detail in its comments, the Commission's requirements can be met by implementing an alternative scheme for rate disclosure.

CompTel proposes that *all* carriers of interstate operator-assisted calls be required to provide an audible disclosure, immediately after the carrier brand and prior to the customer incurring any charges. This disclosure would inform the customer of the actions he or she may take to obtain a rate quote, without having to hang up and dial a different number. Because carriers' technical abilities to provide a rate quote would vary, carriers would be given the discretion to choose how to provide such information. In no instance, however, would a carrier be permitted to require a caller to dial a second number in order to obtain a rate quote.

AMNEX agrees with CompTel that this alternative disclosure mechanism meets the Commission's goals of reducing caller confusion caused by operator-assisted calling and providing consumers with the information necessary to make an informed decision prior to completing a call.⁵ Pursuant to the CompTel proposal, *every* consumer would be reminded - audibly and before incurring any charges -- of his or her right to obtain rate information prior to completing an operator-assisted call. In addition, consumers would be able to obtain this information easily and with minimal disruption. Moreover, through repetition of this disclosure on every 0+ call, regardless of the carrier involved, consumer understanding and familiarity with the operator-assisted calling environment will be increased.

⁵ AMNEX observes that the Commission's concerns over the relatively high operator service rates charged at some payphone locations was at least partially addressed by the FCC's recent action in CC Docket No. 196-128 providing dial-around compensation to payphone owners. This action should alleviate the demand of certain payphone owners for high commission payments and the concomitant pressure on end user rate levels.

As importantly, the CompTel proposal can be implemented quickly and inexpensively through the use of readily available and proven technology. Thus, service providers would not be impacted adversely, and consumers could obtain the desired information without further delay.

AMNEX believes that this alternative disclosure scheme is consistent with the Commission's statutory authority as well as carrier call processing capabilities. The CompTel proposal builds upon the approach taken in TOCSIA that consumers should be given the opportunity and ability to make an informed choice, without hindering the ability of frequent callers to make calls without delay.

The CompTel proposal simply reminds consumers of these rights through an audible announcement immediately after the carrier brand, and provides them with an easy way to obtain the information TOCSIA requires to be available. The CompTel proposal has the added benefit of being simple and inexpensive, and would not impose an undue delay in call processing with regard to consumers who do not care to obtain specific rate information.

CONCLUSION

For the foregoing reasons, AMNEX respectfully requests that the Commission replace its proposal to require call rating information on each operator-assisted call with a requirement that OSPs provide audible instructions on how to obtain a rate quote.

Respectfully submitted,

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